Canadian Tourism Commission | Commission canadienne du tourisme

Canada

Tourism Snapshot

A focus on the markets in which the CTC and its partners are active

www.canada.travel/corporate

January 2015 **Volume 11, Issue 1**

Key highlights

- It was an encouraging beginning of year for international visitation to Canada, with total international arrivals increasing 4.7% in January 2015.
  - Overnight arrivals from CTC's overseas markets increased 3.7% in January 2015.
  - Overnight arrivals from the US, which represents 70% of international visitors to Canada, increased 5.7% in January 2015, with strong gains from both air and car arrivals.
- Gains were registered in all four regions where the CTC is active, with Latin America (+17.5%) and the US (+5.7%) leading the way, followed by Europe (+2.6%) and Asia-Pacific (+1.1%), resulting in overall growth of 5.2% in CTC's key markets.
  - In Asia-Pacific, the contraction in overnight arrivals from China (-10.2%) for the most part offset gains registered in the four other CTC markets in the region—India (+16.9%), Australia (+7.4%), South Korea (+6.2%) and Japan (+4.6%)—resulting in a 1.1% growth in arrivals from all CTC Asia-Pacific markets. Much of the decline from China can be attributed to a visitation pattern where Chinese visitors put off their trip to Canada until the Chinese New Year, a national holiday in China. The Chinese New Year took place in mid-February this year, whereas it fell at the end of January in 2014.
  - In Europe, France registered strong visitation growth (+10.4%) while arrivals from Germany (-1.4%) and the UK (-1.3%) edged down relative to January 2014.
  - In Latin America, strong gains were recorded from both Brazil (+24.0%) and Mexico (+11.6%) in January 2015.
- Total overnight arrivals from the US rose (+5.7%) in January 2015 amid a more favourable exchange rate for US visitors. The increase is attributable to higher arrivals by automobile (+6.1%) and air (+7.3%), offsetting a major decline in arrivals by other modes of transport (-7.4%), such as train, boat and bus.

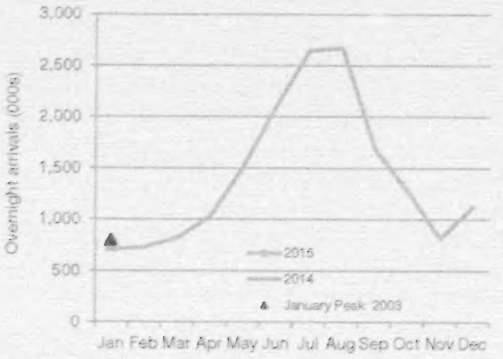
Tourism review Inbound highlights

Overnight trips to Canada

	Jan. 2015	15/14 Jan. % Change
United States		
Automobile	272,694	6.1
Air	201,801	7.3
Other	29,242	-7.4
US Total	**503,737**	**5.7**
Europe Markets*		
UK	26,031	-1.3
France	20,840	10.4
Germany	10,751	-1.4
Europe Total	**57,622**	**2.6**
Asia-Pacific/Latin America Markets*		
Japan	10,557	4.6
South Korea	10,382	6.2
Mexico	10,255	11.6
Brazil	10,202	24.0
China	24,022	-10.2
India	7,838	16.9
Australia	19,525	7.4
Asia-Pacific/Latin America Markets Total	**92,781**	**4.3**
Overseas Key Markets	**150,403**	**3.7**
Total 11 CTC Markets	**654,140**	**5.2**
Other Overseas Countries	85,322	0.6
Non-US Countries	**235,725**	**2.6**
Total Countries	**739,462**	**4.7**

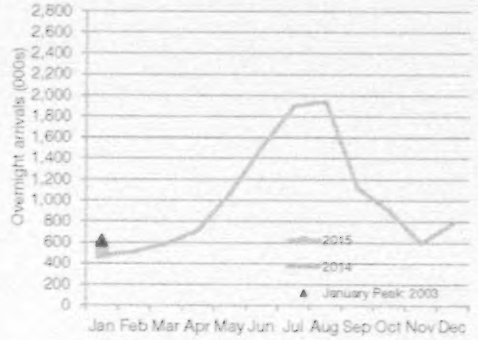
Note: Statistics Canada preliminary estimates.
* In previous editions, Asia-Pacific/Latin America Markets were referred to as "Emerging/Transition" Markets and the "Core Markets" included Europeans markets and Australia. As of January 2015 we changed the classification to a geography-based approach, which better reflects the reality of the markets.
Source: Statistics Canada, International Travel Survey.

International trips



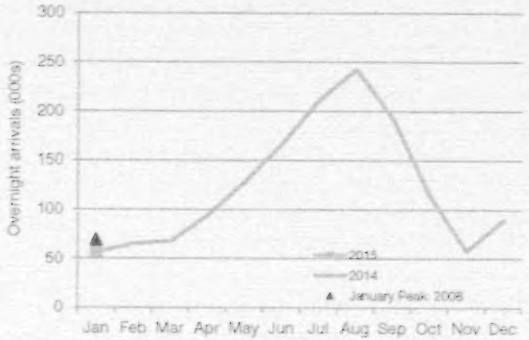
- Canada welcomed 739,462 international visitors in January 2015, up 4.7% compared to the same month in 2014.
- In January 2015, overnight arrivals from CTC's European markets increased 2.6% thanks to strong growth in arrivals from France (+10.4%), with arrivals from the UK (-1.3%) and Germany (-1.4%) declining slightly.
- Overnight arrivals from CTC markets in Asia-Pacific and Latin America grew 4.3% in January, achieving the highest level of arrivals for that month ever, thanks to strong growth from Brazil (+24.0%), India (+16.9%), Mexico (+11.6%), South Korea (+6.2%) and Japan (+4.6%), and despite a decline from China (-10.2%) due to the Chinese New Year holiday shifting to February this year.

United States



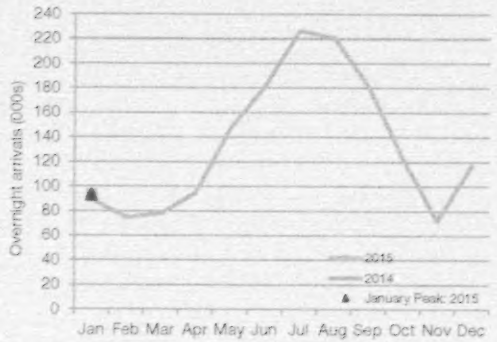
- In January 2015, gains in US arrivals by automobile (+6.1%) and air (+7.3%) offset losses in arrivals by other modes of transport (bus, train, and boat which totalled 29,000 arrivals) (-7.4%), resulting in a 5.7% increase in total US overnight arrivals over January 2014. The improvement from the US occurred amid a more favourable exchange rate for US visitors, as the USD had appreciated by 11% in January 2015 relative to the same month in 2014
- Over 500,000 US travellers visited Canada in January 2015. The US visitor peak on record during the month of January occurred in 2003 with 615,000 overnight trips.

Europe Markets



- Only one of the three CTC markets in Europe registered gains in January 2015. Amid a weaker euro, but stable British pound relative to the Canadian dollar, France arrivals rose 10.4% while visits from Germany (-1.4%) and the UK (-1.3%) declined relative to January 2014.
- In January 2015, Canada welcomed 57,600 visitors from CTC Europe markets, which is much less than the January peak of 69,000 recorded in 2008.

Asia-Pacific and Latin America



- The CAN+ Visa program implemented in May 2014 in Mexico continued to facilitate the strong growth (+11.6%) in visitors from that country in January—the ninth consecutive month of double-digit growth.
- Visitation from Brazil was facilitated by the launch of a pilot project of the CAN+ Visa program in that country in recent months as well as the new Rio de Janeiro-Toronto flight launched in December 2014, leading to a staggering 24.0% increase in arrivals in January 2015.
- The increase in arrivals from Japan (+4.6%) in January was partly facilitated by increased air capacity between Tokyo (Haneda) and Vancouver/Toronto in recent months.
- In January 2015, India (+16.9%) continued to post strong visitation growth. The launch of the CAN+ Visa program in India in July 2014 has contributed to double-digit growth over the past few months.
- Arrivals from China decrease 10.2% in January 2015 compared to a year ago. Much of the visitation decline from China can be attributed to a typical visitation pattern over the first two months of the year where Chinese visitors put off their trip to Canada until the Chinese New Year, a national holiday in China. The Chinese New Year took place in mid-February this year, whereas it fell at the end of January in 2014. In turn, we anticipate strong February numbers to balance the decline in Chinese arrivals registered in January.
- South Korea registered an increase in arrivals (+6.2%) in January 2015, which was facilitated by a slight increase in air capacity on Seoul-Vancouver flights in recent months.
- Arrivals from Australia rose 7.4% amid a significant increase in air seat capacity between Sydney and Vancouver in January (+55%) to meet high demand during the Australian summer vacation time and Canadian ski season.
- In January 2015, the number of visitors from the seven Asia-Pacific and Latin America markets reached a new peak for that month with about 92,800 overnight visitors to Canada.

Peak Year Review of Overnight Trips to Canada by Market – January

	Europe			United States		Asia Pacific and Latin America						
Markets	France	Germany	United Kingdom	Total	Air Only	Australia	Brazil	China	India	Japan	Mexico	South Korea
Previous Peak Year	2011	2009	2008	2003	2005	**2014**	**2013**	2014	**2012**	1997	2008	2007
Arrivals During Previous Peak Year	21,409	13,012	39,096	615,073	213,710	**18,176**	**8,398**	26,764	**6,754**	24,814	13,537	14,086
January 2015 Total Arrivals	20,840	10,751	26,031	503,737	201,801	**19,525**	**10,202**	24,022	**7,838**	10,557	10,255	10,382
Current % of Previous Peak	97.3%	82.6%	66.6%	81.9%	94.4%	**107.4%**	**121.5%**	89.8%	**116.0%**	42.5%	75.8%	73.7%

Note: Statistics Canada preliminary figures.
Sources: Statistics Canada.

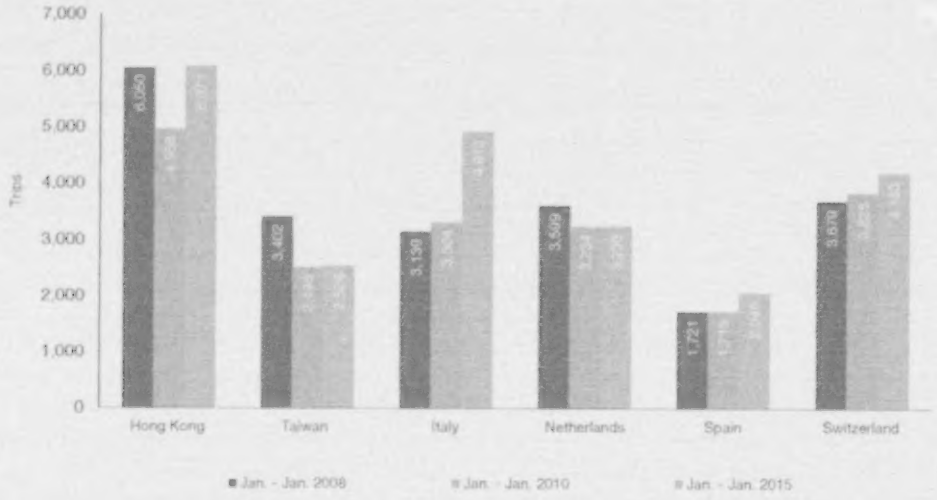
Peak achieved during 2015

- In January 2015, three markets—India, Brazil and Australia—achieved their highest level of overnight arrivals ever.
- Arrivals from the UK, Germany and the US achieved 67% to 82% of their respective peaks, recorded in 2008, 2009 and 2003 respectively.
- Arrivals from Australia, Brazil and India surpassed their previous arrival peaks registered in 2014, 2013 and 2012 respectively.
- In January 2015, France was only about 600 arrivals shy of the previous peak of 21,400 recorded in 2011, achieving 97% of the previous peak.
- Arrivals from South Korea achieved 74% of the peak recorded in 2007.
- US arrivals by air during January 2015 totalled nearly 202,000 overnight visits to Canada, nearing the peak of 213,700 recorded in 2005.
- Arrivals from Mexico reached 76% of the peak recorded in 2008.
- Arrivals from Japan achieved 42.5% of the peak recorded in 1997.

Market Watch

- In January 2015, three of the four secondary European markets recorded gains compared to January 2014. Arrivals from Italy (+18.8%), Switzerland (+8.8%) and the Netherlands (+3.2%) rose, while overnight visits from Spain declined slightly (-0.7%).
- In January 2015, strong visitation decline was registered in both secondary Asian markets due to the Chinese New Year holiday shifting in February this year. Arrivals from Hong Kong decrease by 30.4% and visits from Taiwan by 14.3% relative to January 2014.

Overnight trips to Canada, by selected markets



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey*.

Overnight trips to Canada, by selected markets

	Jan. 2015	15/14 Jan. % Change	Jan. - Jan. 2015	Year-to-date % Change
Italy	4,913	18.8	4,913	18.8
Netherlands	2,046	-0.7	2,046	-0.7
Spain	3,236	3.2	3,236	3.2
Switzerland	4,183	8.8	4,183	8.8
Hong Kong	6,071	-30.4	6,071	-30.4
Taiwan	2,526	-14.7	2,526	-14.7

Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, *International Travel Survey*.

International Arrivals by Province

Non-Residents Overnight Arrivals to Canada by province of Entry, January 2015

	Total: One or more nights			US Residents by Automobile			US Residents by Non-Automobile			Residents from Other Countries		
	2015	*Variance 2015/2014*	Change over 2014	2015	*Variance 2015/2014*	Change over 2014	2015	*Variance 2015/2014*	Change over 2014	2015	*Variance 2015/2014*	Change over 2014
Newfoundland	1,914	31.2%	455	-	-	-	595	44.1%	182	1,319	26.1%	273
Prince Edward Island	0	0.0%	-	-	-	-	-	0.0%	-	-	0.0%	-
Nova Scotia	2,640	4.9%	123	-	-	-	1,546	11.5%	159	1,094	-3.2%	(36)
New Brunswick	4,141	-6.4%	(282)	3,862	-3.6%	(143)	218	-28.5%	(87)	61	-46.0%	(52)
Quebec	110,966	4.1%	4,338	39,165	8.3%	3,011	32,833	-5.2%	(1,800)	38,968	8.7%	3,127
Ontario	343,036	5.9%	19,065	129,540	7.3%	8,818	113,075	4.3%	4,696	100,421	5.9%	5,551
Manitoba	7,548	8.8%	612	4,189	14.5%	530	2,840	2.1%	59	519	4.6%	23
Saskatchewan	4,138	18.5%	647	1,344	1.8%	24	1,996	3.9%	75	798	219.2%	548
Alberta	39,582	-2.3%	(922)	3,031	-2.2%	(67)	23,549	-2.5%	(603)	13,002	-1.9%	(252)
British Columbia	224,311	4.1%	8,867	90,558	4.0%	3,523	54,314	19.0%	8,658	79,439	-4.0%	(3,314)
Yukon	1,186	11.9%	126	1,005	6.6%	62	77	285.0%	57	104	7.2%	7
Canada	**739,462**	**4.7%**	**33,029**	**272,694**	**6.1%**	**15,758**	**231,043**	**5.2%**	**11,396**	**235,725**	**2.6%**	**5,875**

Source: ITS Border Counts, January 2015, Statistics Canada

- In January 2015, the largest increases in arrivals to Canada were recorded through Ontario (+19,065, +5.9%), British Columbia (+8,867, +4.1%) and Quebec (+4,338, +4.1%).
  - Ontario registered gains in US arrivals by automobile and non-automobile modes as well as from overseas.
  - While BC registered gains in US arrivals by automobile and non-automobile modes, arrivals by air from overseas declined compared to January 2014. This decline is primarily attributable to lower arrivals from China, Hong Kong and Taiwan due to the shift of the Chinese New Year holiday to February this year.
  - Quebec recorded growth in US arrivals by automobile, but a slight decline in US arrivals by non-automobile modes. Arrivals from overseas grew 8.7% compared to January 2014.
- Alberta and New Brunswick were the only two provinces to see a contraction of arrivals across the three streams of overnight visitors to Canada. In both provinces, the declines were relatively small and may have been caused by harsh winter weather conditions during that month.

Competitive review (January - December 2014)

Information updated to January 2015 was unavailable at time of writing due to delays in the releases of inbound arrivals figures for the month of January from the Australian Bureau of Statistics (ABS) and from the US Office of Travel and Tourism Industries (OTTI). Therefore, we included the competitive review comparing inbound statistics for Canada and the US for the full year 2014.

International Travel (in thousands)

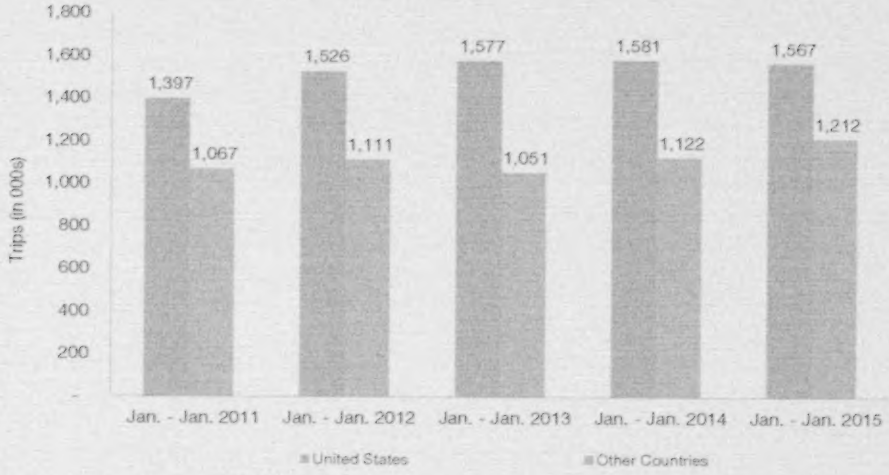
	Trips To:			
	Canada		United States	
Trips From:		14/13 Change		14/13 Change
Total International	17,127,253	3.2%	74,728,706	6.9%
United States	12,113,487	0.9%	...	...
Canada	...	...	22,975,195	-1.8%
Core Markets				
United Kingdom	676,328	4.7%	3,972,655	3.6%
France	482,362	5.0%	1,624,604	8.0%
Germany	326,808	5.0%	1,968,536	2.7%
Asia/Latin America Markets				
Australia	280,808	6.3%	1,276,124	5.9%
Japan	258,457	14.9%	3,579,363	-4.0%
South Korea	163,089	12.8%	1,449,538	6.6%
Mexico	172,604	14.4%	17,334,495	19.2%
Brazil	99,901	6.6%	2,263,865	9.9%
China	454,030	28.8%	2,188,387	21.0%
India	175,536	19.3%	961,790	11.9%
Total Key Markets	15,203,410	2.7%	59,594,552	6.0%

...Not applicable.
n/a - not available.
Note: Statistics Canada preliminary figures.
Sources:
Statistics Canada, International Travel Survey Frontier Counts
U.S. Department of Commerce, ITA, National Travel and Tourism Office

- During 2014, the US registered a large increase in total international arrivals (+6.9%), outpacing the growth rate recorded in Canada (+3.2%) over 2013.
- In CTC key markets, the US registered a 6.0% increase, while arrivals to Canada from these markets rose 2.7% relative to 2013.
- The US posted a decline in arrivals from Canada (-1.8%) from January to December 2014. In comparison, US arrivals to Canada increased 0.9% during the same period.
- From January to December 2014, the US registered larger gains than Canada in arrivals from Mexico (+19.2% vs +14.4%), France (+8.0% vs +5.0%) and Brazil (+9.9% vs +6.6%) relative to 2013.
- Canada registered larger gains than the US in arrivals from all other CTC key markets during 2014, particularly outpacing the US on arrivals from Japan (+14.9% vs -4.0%), South Korea (+12.8% vs +6.6%), China (+28.8% vs +21.0%) and India (+19.3% vs +11.9%).

Canadian outbound trips

Overnight trips by Canadians



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey*.

- In January 2015, Canadian outbound travel increased 2.8% over the same month last year to 2.78 million trips.
- Many Canadians chose an overseas destination over the US amid a 10% year-over-year depreciation of the loonie relative to the US dollar in January 2015. The number of Canadians visiting the US during the month of January decreased 0.9% to 1.566 million trips, while Canadian overnight travel to overseas destinations rose 8.0% to 1.212 million trips.
- In January 2015, most Canadian residents returned to the country from overseas through Ontario (566,000 re-entries, +11.6%), Quebec (286,000 re-entries, +4.4%) and BC (183,400 re-entries, +6.4%).
- In January 2015, Canadian residents returning home from the US primarily re-entered Canada through Ontario (738,600 re-entries, -0.3%), BC (328,800 re-entries, +0.1%) and Quebec (236,000 re-entries, -2.8%).

Overnight trips by Canadians

	Jan. 2015	15/14 Jan. % Change	Jan. - Jan. 2015	Year-to-date % Change
United States	1,566,507	-0.9	1,566,507	-0.9
Other Countries	1,212,228	8.0	1,212,228	8.0
Total Trips from Canada	2,778,735	2.8	2,778,735	2.8

Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, *International Travel Survey*.

Consumer outlook

Consumer confidence

- **Canada:** The index of consumer confidence gained 2.7 percentage points in January to land at 107 (2014 = 100). January 2015 marked the second constitutive improvement of the monthly index.
- **USA:** The Conference Board Consumer Confidence Index® increased further in January. The Index stood at 103.8 (1985=100) in January, up from 93.1 in December, indicating a beginning-of-year confidence boost in the US economy among consumers.

Sources: Consumer Confidence Index, the Conference Board (USA); and Index of Consumer Confidence, the Conference Board of Canada.

Accommodations

Please note that at the time of publication, we were unable to update Canada's Accommodations Table as a result of PKF Consulting Inc.'s "Trends in the Canadian Hotel Industry National Market Report" not being available. The figures for January and February will be published jointly in the February 2015 Tourism Snapshot.

CTC Market Research & Evaluation